

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 6-7, 2007

Reference No.: 4.8
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Mary C. Frederick
Division Chief
Division of Aeronautics

Subject: **ADOPTION OF THE RATE FOR STATE MATCHING OF FEDERAL AIRPORT
IMPROVEMENT PROGRAM (AIP) GRANTS
RESOLUTION G-07-**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached resolution approving the Fiscal Year (FY) 2007-08 match rate for federal Airport Improvement Program (AIP) grants at 2.5 percent.

ISSUE:

The federal AIP provides public use, publicly owned airports with 95 percent federal grants for airport improvement and maintenance projects. The Department assists the airport sponsors with the local match.

The Commission's Technical Advisory Committee on Aeronautics (TACA) reviewed and approved the Department's proposal to continue the State match rate at 2.5 percent for Fiscal Year 2007-08 on April 18, 2007.

BACKGROUND:

Public Utilities Code Section 21683.1 (a) states that the Commission may, at its discretion, provide a portion of the local match for federal AIP grants. The Department proposes to continue the State match rate at 2.5 percent based upon recommendations from TACA and Commission staff.

By continuing the AIP match rate at 2.5 percent, funds will become available over the course of Fiscal Year 2007-08 to allow allocations for Acquisition and Development (A&D) projects for safety and pavement preservation. Without the lower AIP match rate, the Department will continue to have minimal funds to allocate for A&D projects.

The matching rate will be reviewed annually by the Commission in order to balance the needs of the State A&D Program and the level of anticipated AIP match funding levels.

CALIFORNIA TRANSPORTATION COMMISSION

**Adoption of the Annual Rate for State Matching
of Federal Airport Improvement Program (AIP) Grants
for Fiscal Year 2007-08**

Resolution G-07-___

- 1.1 WHEREAS, pursuant to Section 21683.1 (a) of the Public Utilities Code, the California Transportation Commission (Commission) may, at its discretion, provide a portion of the local match for federal Airport Improvement Program (AIP) grants; and
- 1.2 WHEREAS, a 2.5 percent matching rate enables the Department of Transportation to provide the State match for airports; and
- 1.3 WHEREAS, the Fiscal Year 2007-08 Aeronautics Allocation for set-aside to match AIP grants was submitted with a match rate of 2.5 percent; and
- 1.4 WHEREAS, a 2.5 percent match rate allows greater opportunity for allocations for Acquisition and Development (A&D) grants.
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission hereby establishes the State match rate for Fiscal Year 2007-08 for federal AIP projects in the 2006 Aeronautics Program at 2.5 percent of an airport project federal grant.